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February 9, 2007

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**VIA HAND-DELIVERY**

2007-56-WS

The Honorable Charles L.A. Terreni  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

RE: Application of Carolina Water Service, Inc. for approval of a contract with  
Farming Creek Development Company, LLC to serve the Rose Oak  
Subdivision

Dear Mr. Terreni:

Enclosed for filing are the original and ten (10) copies of the Application of Carolina Water Service, Inc., in the above-referenced matter. I would appreciate your acknowledging receipt of this document by date-stamping the extra copy of this letter that is enclosed and returning it to me via my courier delivering same.

By copy of this letter, I am serving the Office of Regulatory Staff and enclose a certificate to that effect. If you have any questions or need additional information, please do not hesitate to contact me. With best regards, I am,

Sincerely,

**RECEIVED**

FEB 09 2007

PSC SC  
DOCKETING DEPT.

**WILLOUGHBY & HOEFER, P.A.**



Benjamin P. Mustian

BPM/amw  
Enclosure

cc: Florence P. Belser, Esquire  
Nanette S. Edwards, Esquire

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2007 FEB -9 PM 1:14  
SC PUBLIC SERVICE  
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**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2007-56-W/S**

IN RE: )  
 )  
Application of Carolina Water Service, )  
Inc. for approval of a contract with )  
Farming Creek Development Company, )  
LLC to serve the Rose Oak Subdivision )  
\_\_\_\_\_ )

**APPLICATION**

Carolina Water Service, Inc. (“Applicant” or “Utility”) hereby submits a contract between it and Farming Creek Development Company, LLC (“Developer”) for consideration by this Honorable Commission under Vol. 26 S.C. Code Ann. Reg. R.R. 103-541 (Supp.2006). In support of this Application, Applicant would respectfully show as follows:

1. Applicant is a public utility currently authorized to operate wastewater systems under the jurisdiction of the Commission in Richland County, as well as certain other counties in this state. Its corporate charter is presently on file with the Commission and an appropriate bond has been posted with same. A schedule of the current rates and charges for Applicant’s wastewater service has previously been approved by the Commission in Docket No. 2004-357-W/S.<sup>1</sup> Also, the Commission currently has pending before it in Docket No. 2006-92-W/S the Applicant’s request for adjustment of rates pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2004).<sup>2</sup>

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<sup>1</sup> By way of its Order No. 2005-465 dated October 17, 2005, in Docket No. 2004-357-W/S, the Commission has authorized Applicant to place the current rates and charges into effect under bond pursuant to S.C. Code Ann. Section 58-5-240(D) (Supp. 2004) pending the outcome of its appeal in that matter.

<sup>2</sup> As the Commission is aware, the Commission denied Applicant's request in Docket No. 2006-92-W/S by way of Order No. 2006-543 dated October 2, 2006. Applicant subsequently petitioned the Commission for reconsideration or rehearing of that Order. On November 27, 2006, the Commission issued a directive denying that petition and

2. The Applicant seeks approval of an agreement entered into between Applicant and the Developer dated January 12, 2007 ("Agreement"), a copy of which is attached hereto and incorporated herein by reference as Exhibit "A." Under Article IV, § 1 of the Agreement, Applicant will provide wastewater service to the proposed development pursuant to all of the terms, conditions, rates and charges set forth in its existing rate schedule as are on file with this Commission and in effect from time to time<sup>3</sup>.

3. Pursuant to this agreement, Applicant proposes to serve the Rose Oak Subdivision ("Development") which will consist of approximately twenty-eight (28) single family homes in Phase I and approximately seventy (70) homes in Phase II for a total of approximately ninety-eight (98) single family homes when completed. The Agreement provides, *inter alia*, that Developer will construct all of the necessary sewer facilities ("Facilities") required to connect the proposed development to Utility's facilities serving its designated Friarsgate Franchised Service Territory, acquire all necessary easements and rights-of-way ("Easements") and convey such Facilities and Easements to Applicant. Performance of the Agreement is conditioned upon its approval by this Commission.

4. The proposed development is within Applicant's Commission authorized Service Area in Richland County and the area franchised to Applicant. Accordingly, no other public or governmental utility is authorized to serve the proposed development.

5. Pursuant Article II, §14 of the Agreement, Applicant has agreed to reserve adequate utility capacity for up to ninety-eight (98) wastewater connections located within the Development, for a period of three (3) years from such time as the Facilities have been formally

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approving Applicant's request to place rates into effect under bond, but no order by the Commission to that effect has yet been issued.

<sup>3</sup> Thus, upon implementation of the rates placed in effect under bond as requested by Applicant in its petition for rehearing in Docket No. 2006-92-WS, and upon any subsequent revisions to rates which may result from any appeal which may be taken from further Commission orders in that docket, the rates to be charged in the proposed development would change.

accepted by the Utility. After that time, the Utility shall not be obligated to reserve capacity for which no capacity fees have been received. Applicant submits that this provision is warranted and in the public interest as it ensures that the Developer cannot warehouse capacity such that other development may be discouraged by a potential lack of available capacity. Further, the terms of this contract allow the utility to adequately engage in planning for future operations.

6. Applicant submits that the public convenience and necessity will be served by the approval of this Agreement. Applicant further submits that no hearing in this matter is required. See S.C. Code Ann. § 58-5-240(G) (Supp.2006).

7. All correspondence and communications regarding this matter should be sent to the undersigned.

WHEREFORE, having fully set forth its Application, Applicant prays that the Agreement be approved; that a hearing on the within matter be waived or review of the within application be expedited; and that Applicant be granted such other and further relief as the Commission may deem just and proper.



John M.S. Hoefer  
Benjamin P. Mustian  
**Willoughby & Hoefer, PA**  
Post Office Box 8416  
Columbia, South Carolina 29202-8416  
803-252-3300

Attorneys for Applicant

Columbia, South Carolina  
This 9<sup>th</sup> day of February, 2007

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

DOCKET NO. 2007- 56 -W/S

IN RE:

Application of Carolina Water Service,  
Inc. for approval of a contract with  
Farming Creek Development Company,  
LLC to serve the Rose Oak Subdivision

**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day one (1) copy of the **Application** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Florence P. Belser, Esquire  
Nanette S. Edwards, Esquire  
**Office of Regulatory Staff**  
Post Office Box 11263  
Columbia, South Carolina 29211

Andrea M Wright  
Andrea M. Wright

Columbia, South Carolina  
This 9<sup>th</sup> day of February, 2007.

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SOUTH CAROLINA  
COMMISSION